

BEFORE THE DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

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IN THE MATTER OF THE LILA	:	INFORMAL CONFERENCE
CANYON EXTENSION TO THE		
HORSECANYON MINE,	:	FINDINGS, CONCLUSIONS
CARBON AND EMERY COUNTIES,		AND ORDER
UTAH	:	CAUSE NO. C/007/013

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On May 21, 2002, the Division of Oil, Gas and Mining ("Division") held an informal conference concerning Utah American Energy Inc's (UEI's) application for a new Coal Mining and Reclamation Permit (MRP) for the Lila Canyon Extension to the Horse Canyon Mine, Carbon and Emery Counties, Utah. The request for an informal conference was made by Southern Utah Wilderness Alliance (SUWA) by Fax to the Division, April 22, 2002.

The following individuals attended:

Presiding:	Lowell P. Braxton Director Division of Oil, Gas and Mining
Petitioner:	W. Herb McHarg and Eliot W. Lipps For Southern Utah Wilderness Alliance
Applicant:	Denise Dragoo and Jay Marshall For Utah American Energy Inc.

At the Informal conference SUWA provided information relative to a 94 page critique of the Lila Canyon permit application package (PAP) as it appeared at the time of the Division's administrative completeness determination, and SUWA supplemented this written critique based on their review of public records, and on the basis of information gained at a meeting held with Division representatives and the applicant the morning of May 21 2002. The applicant submitted and subsequently discussed a 2 volume written critique of SUWA's above-referenced 94 page submittal, and addressed other information presented at the informal conference.

SUWA's documents and those submitted by the applicant (referenced in the preceding paragraph) were accepted by the conference officer as part of the record created at the informal conference. A transcript of the conference was made by Scott M. Knight, RPR (Thacker & Company LLC).

The Findings, Conclusions, and Order in this matter are based on information provided by the Petitioner and Applicant in connection with this informal conference, and on information in the files of the Division.

FINDINGS OF FACT

1. The administrative completeness determination for the subject permit was made by the Division February 25, 2002, and public comment opportunities for this decision closed April 22, 2002.
2. By letter (Fax) dated April 22, 2002, SUWA requested an informal conference to discuss issues of concern regarding the Utah Division of Oil, Gas and Mining's determination of Administrative Completeness for the subject permit application package.
3. Notice of the informal conference was properly given.
4. Prior to the conference, Lowell Braxton discussed with each party an agenda and timeline for conduct of the conference.
5. Neither party to the conference objected to the agenda.
6. Pursuant to Utah Code Ann. Section 40-10-13 and Utah Administrative Rule R645-300-123, an informal conference in the matter was held on May 21, 2002.
7. A list of those attending the informal conference will be maintained in the conference file.

CONCLUSIONS OF LAW

1. Utah Administrative Rule R645-300-123.100 considers and grants affected parties an opportunity to request an informal conference on the application for a new permit.
2. Utah Administrative Rule R645-300-120 et sec. contemplates public participation and comment on a PAP at the time an administrative completeness determination is published.
3. SUWA's request for an informal conference in this matter was filed in a timely, appropriate manner.
4. Notice of the informal conference was properly given.
5. Participants at the conference were provided the opportunity provide comment on the application for the Lila Canyon Extension to the Horse Canyon Mine in the manner anticipated by R645-300-123.

ORDER

NOW THEREFORE, it is ordered that:

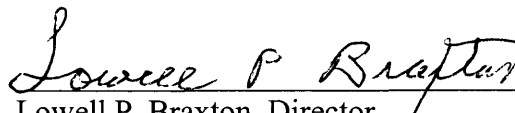
I The materials submitted by the participants at the informal conference and the record created at this conference shall be reviewed and considered by the Division in the normal course of its ongoing review of the new permit for the Lila Canyon Extension of the Horse Canyon Mine.

II The record which was generated during the informal conference shall be maintained, and shall be accessible to the parties until final release of the applicant's performance bond, should the Lila Canyon extension of the Horse Canyon be permitted.

III When written, the Division's determination of Technical Adequacy (the TA) shall identify SUWA's requests for changes to the PAP that are part of the conference record, but while noting those requests that possibly exceed the Division's programmatic mandate. Where appropriate, the TA shall describe the Division's basis for not incorporating SUWA's materials or requests into the PAP.

IV As anticipated at UCA 40-10-14 (1) and R645-100-800 by close of business July 22, 2002 the Division shall provide written notice to the applicant and SUWA of its decision to grant or deny the permit application in whole or in part, and provide its reason for the decision.

SO DETERMINED AND ORDERED this 18th day of June, 2002



Lowell P. Braxton, Director
Division of Oil, Gas and Mining
State of Utah

VS

cc: Lowell Braxton
Mary Ann Wright
Herb McHarg, SUWA
Denise Dragoo, UEI
Jay Marshall, UEI

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CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF INFORMAL CONFERENCE for Cause No. C/007/013 to be mailed by certified mail, postage prepaid, on the 18 day of June, 2002 the following:

Jay Marshall
UtahAmerican Energy, Inc.
P.O. Box 986
Price, Utah 84501

Denise Dragoo
Snell & Wilmer
Gateway Tower West
15 West South Temple, Suite 1200
Salt Lake City, Utah 84101

W. Herbert McHarg
Southern Utah Wilderness Alliance
Monticello Office
P.O. Box 401
Monticello, Utah 84535

Kathy C. Weinberg, Esq.
JENNER & BLOCK
1717 Main Street, Suite 3150
Dallas, TX 75201

Mary Ann Wright
Division Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Uickie Southwick

cc: Daron Haddock
Pamela Grubaugh-Littig
Lowell Braxton
H:\Informal conference\mailing Horse Canyon.d.wpd

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Kathy C. Weinberg, Esq
JENNER & BLOCK
1717 Main Street, Suite 3150
Dallas, Texas 75201

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) *K. Sheerman* B. Date of Delivery *6-24-02*

C. Signature

K. Sheerman ☐ Agent ☐ Addressee

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1. Article Addressed to:

Jay Marshall
UtahAmerican Energy, Inc.
P.O. Box 986
Price, Utah 84501

COMPLETE THIS SECTION ON DELIVERY

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C. Signature

J. Marshall ☐ Agent ☐ Addressee

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1. Article Addressed to:

Denise Drago
Snell & Wilmer
Gateway Tower West
15 West South Temple, Suite 1200
Salt Lake City, Utah 84101

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C. Signature

Denise Drago ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☐ No

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1. Article Addressed to:

W. Herbert McHarg
Southern Utah Wilderness Alliance
Monticello Office
P.O. Box 401 Monticello, Utah 84535

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

W. McHarg ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

3. Service Type

☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
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